

To: Rhode Island Renewable Energy Fund Advisory Board *(Draft)*
From: Nancy Selman
Date: May 5, 2005
Re: Meeting Minutes for April 12, 2005

Next meeting dates: Second Tuesday of every month. For 2005: 5/10, 6/14, 7/12, 8/9, 9/13, 10/11, 11/8, 12/13.

In attendance: See attached Attendance List.

- 1) Minutes and Update
 - a) Update –
 - i) The word Megawatt is capitalized.
 - ii) Rentricity – The cost of the RECs is the price paid for RECs which (along with other revenues to the project) provides enough cash flow to pay project expenses, including a reasonable return to investors.
- 2) New Business
 - a) RES Rulemaking Facilitation – Doug Hartley will request that the Fund provide the balance of the funding for the facilitation by Raab and Associates (the Fund previously committed to fund a substantial portion but not all of the facilitation costs.) The request will be made in May 2006 when a budget for the work has been finalized. Narragansett Electric will support the request. It was generally agreed by all involved in the RES rulemaking process that having Raab and Associates facilitating greatly benefited the process.
 - b) Letter to NEPOOL Markets Committee – Bob Grace provided an explanation of this issue: Ridgewood Power proposed establishing fees on Non-NEPOOL generators and entities with Trader accounts in the NEPOOL GIS system (which the SEO is expecting to use to implement RIREF programs and commitments). The effect would be to layer a substantial fixed fee on Trader account holders, as well as to increase the costs of renewables by causing them to bear an increased share of GIS costs (in some cases at several steps along the way from generation to use). In addition, it was proposed that these fees would subsidize general NEPOOL expenses throughout the region. A letter was submitted to the NEPOOL Markets Committee by the SEO on behalf of the Fund expressing concern and opposition to the proposal. The proposal was ultimately defeated.
 - c) RES Negotiated Rulemaking – Bob Grace provided an update on the RES Negotiated Rulemaking. Significant progress is being made. A draft set of rules has been written and list of issues has been created. Generally, the issues fall into one of three categories:
 - i) Policy debates which require a discussion on which path to take;
 - ii) Administrative detail on policies that are well spelled out in the legislation; and
 - iii) Minor technical fixes.A plan has been laid out for the rulemaking. The goal is to have finalized draft regulations on August 9, 2005. Those who are not parties to the process who would like to see meeting minutes and other documents should contact Bob Grace.
 - d) URI Wind Turbine Project – The URI students and facilities staff are planning on placing anemometers on URI radio tower and would like the Fund to pay for the cost of the installation. A formal request will be provided in May 2006 after a budget has been established. The issue was raised as to whether the anemometers should be installed on the radio tower before the performance contractor has been selected by the university and agrees to undertake the project. The Board members generally were supportive of the

- anemometer project as a way to obtain data and keep the students who are involved in the project motivated.
- e) Slater Mill – Slater Mill has presented a proposal to the Fund for a grant to refurbish the hydro project at the mill site. The request is out of the range of expected cost by about a factor of 10. One Board member expressed the opinion that the Fund should only assist in the electricity production portion of the project as opposed to the refurbishment of any other parts of the site. Chris Warfel will contact Slater Mill management to get a cost breakdown for the project.
- 3) Raytheon Wind Feasibility Study Proposal - Raytheon is requesting \$31,552 of \$39,440 study for wind feasibility. Tom Criscione of Raytheon and Tom Michelman and Bob Shatten of Boreal attended the April 12, 2005, Board meeting to answer questions. Wind measurement has been done at the site in the past and supports a project; however, the previous data needs to be confirmed because the anemometer was placed on a microwave tower that had shadowing effect, and resulted in the data being not well suited for use in financing the project. The project dovetails into outreach work being done by RWU in Portsmouth to determine other potential sites for wind projects in the town. The Board approved funding in the amount of \$7,686 for the first phase of the feasibility study project with the balance of the grant committed conditional on an agreement with Raytheon to sell the RECs in RI, preferably to count towards the RES requirement. The conditions of providing the second phase of the grant to Raytheon may include the following:
 - a) A right of first refusal but not requirement on the part of the Fund to purchase or secure RECs at a price which otherwise would be offered to the market. This right would be transferable to another creditworthy entity, such as Narragansett Electric or the EDC;
 - b) A requirement that RECs be provided to the RI (voluntary) market even if they are not used in the RES;
 - c) The grant is repayable to the Fund if the RECs are not used in RI in either the compliance (RES) or voluntary markets;
 - d) D. Jacobson and K. Teichert are interested in working on setting the conditions for the RECs purchases.
 - 4) CESA Annual Dues – The Board approved CESA dues for the period July 1, 2005, through June 30, 2006, of \$23,636. The Board requested that CESA more clearly identify specific consulting work that they can do for the Fund.
 - 5) CCRI Training PV Proposal – The Board approved spending up to \$30,000 for the PV system and structural upgrades to the roof to accommodate the system as a teaching tool. Chris Warfel of Entech Engineering is to provide a list of goals for the training program including #’s of participants, #’s of installations in RI resulting from training new installers, and increased ability of installed systems to meet code requirements.
 - 6) Resolution on Nova Technology – Emily Rochon of Clean Water Action drafted a resolution to express the Board’s opposition to amending the RES to include plasma arc as an eligible renewable energy technology. Emily redrafted the resolution during the meeting to refine the language. The resolution was voted on and passed by the Board.
 - 7) SolarWrights – SolarWrights made a presentation requesting that the budget for solar programs be 50% of the Fund’s annual budget going forward. Bob Chew updated the Board on the activity in the RI solar market. He proposed a \$3/watt buy down for PV if 25% tax credit is passed by the legislature, and requested a stable budget over time for business planning purposes.
 - 8) Ponagansett High School – Vin Rose reported that Ross McCurdy gave a talk at a workshop for engineering educators of universities and colleges and won an award for the best presentation which, it was noted, was a great honor due to the fact that Ross is a high school teacher.

Decisions:

- 1) URI - The Board agreed in principal to fund the URI anemometer installation. A budget request will be considered at the May 10, 2005, Board meeting.
- 2) Raytheon - The Board approved \$7,686 in funding for the first phase of the Raytheon feasibility project with the balance of the grant request committed conditional on the negotiation of terms for the supply of the RECs from the project to RI.
- 3) CESA – The Board approved CESA dues for the period July 1, 2005, through June 30, 2006, of \$23,636.
- 4) CCRI Training PV Proposal – The Board approved spending up to \$30,000 for the PV system and structural upgrading to the roof to accommodate the system as a teaching tool.
- 5) Resolution Regarding Nova Technology Plasma Arc – The Board voted to accept a resolution drafted by Emily Rochon of Clean Water Action to express the Board's opposition to amending the RES to include plasma arc as an eligible technology.

Actions

- 1) RES Facilitation – Doug Hartley will submit a budget for the May 10, 2005 meeting for the facilitation services of Raab Associates.
- 2) URI - Students will submit a budget for the installation of anemometers.
- 3) Slater Mill – Chris Warfel will request a cost breakdown for the project.
- 4) CESA – More information will be obtained from CESA on providing services to RI.
- 5) Raytheon – Negotiate the conditions for the feasibility study grant, i.e., that Raytheon will sell the RECs in RI, preferably to count towards the RES requirement or else pay back the grant.
- 6) CCRI Training PV Proposal - Chris Warfel of Entech Engineering will provide a list of goals for the training program including #'s of participants, #'s of installations in RI resulting from training new installers, and increased ability of installed systems to meet code requirements.

Attendance:

Capobianco, Julie
Chew, Bob
Condon, Pat
Farley, John
Jacobson, David
Keller, Janet
Lueker, Bill
Michelman, Tom
Moskal, John
Rochon, Emily
Rose, Vin
Selman, Nancy
Shatten, Bob
Stearns, Dave
Stephens, Erich
Teichert, Kurt
Warfel, Chris